

Chapter 2 – Policy Requirements

A. IHFA Suspension Policy

The IHFA Suspension Policy has been revised to include four varying levels of suspension. Examples of each suspension level are given below. The list provided, however, is not intended to be comprehensive. Entities may be suspended for performance problems or other issues not listed as examples.

IHFA will hold all responsible parties – award recipients, subrecipients, and administrators - accountable for grant and/or loan performance. IHFA, in its sole discretion, may suspend or disbar individual persons as well as organizations from participation in IHFA funding programs.

IHFA reserves the right to alter the specific terms of a suspension for reasons including, but not limited to, an award recipient's, subrecipient's, or administrator's response to concerns, past performance history, and IHFA objectives.

Level 1 Suspension

Suspended from drawing funds and/or submitting applications until issue is resolved

- Staff recommendation – This could include, but is not limited to, a lack of performance on an existing award, entities unprepared for a compliance monitoring, or deficiencies noted during a review of required reporting.
- Any overdue IHFA required report including, but not limited to: Semi-Annuals, Annual Rental Reports, or Trust Fund Beneficiary Reports. Reports will be considered overdue on the 10th calendar day following due date.
- An overdue monitoring response.
- Unresolved issues remaining after an award recipient's 2nd monitoring response.
- A property with code violations not corrected within the timeframe provided on the physical inspection report.
- A lapse in required builders risk or property insurance.
- An overdue loan payment. Payments will be considered overdue on the 10th calendar day following due date.
- Any overdue documentation required by IHFA.

Level 2 Suspension

Suspended from drawing funds and/or submitting applications for up to 6 months

- Any Level 1 Suspension that has remained uncorrected for 3 months.
- An award recipient serving over income clients.
- An award recipient not meeting beneficiary income commitments.
- Any loan payment overdue from an organization for the second time within 2 years.

Level 3 Suspension

Suspended from drawing funds and/or submitting applications for up to 5 years

- Any Level 2 Suspension that has remained uncorrected for 3 months.
- An award recipient with multiple compliance issues and/or repeated violations.
- An award recipient with egregious issues or that has committed negligent activities.
- Any loan payment overdue from an organization for third time within 2 years.

Level 4 Suspension

Permanent disbarment from all IHFA programs

- An award recipient that shows intentional disregard and violates IHFA and/or HUD regulations and policies.

B. Administrator Procurement

Administrator's of IHFA awards are often not identified on the applications that are submitted to IHFA. While this action is not a violation of IHFA policy, the action of intentionally excluding an administrator from an application because of the possibility that this entity will not pass the required threshold review but then procuring that same entity after an award is made is of concern. Additionally, neither applicants nor recipients may contract with a related party of an entity ineligible to participate in the funding cycle as a means of avoiding IHFA's threshold requirements.

Subsequently, when an award administrator is procured after an IHFA award is made, this entity must meet IHFA approval. IHFA will evaluate the administrator in the following areas:

- IHFA reserves the right to disqualify from funding any applicant, subrecipient, or administrator that has a history of disregarding the policies, procedures, or staff directives associated with administering IHFA programs or the programs of other affordable housing funders such as the U.S. Department of Housing and Urban Development, Rural Development, or Federal Home Loan Bank of Indianapolis. This includes being on the IHFA suspension list.

Enclosed is the form that should be filled out and submitted to your IHFA Allocation Analyst when requesting to procure an award administrator after an award has been funded. The form is also available on IHFA's website at www.indianahousing.org.

The award recipient must receive IHFA approval prior to executing a contract with the administrator. Failing to receive approval may jeopardize receiving reimbursement for claims involving work conducted by the award administrator.

C Exhibits

A Award Administrator Approval Form